GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:7324
ANSWERED ON:13.05.2005
TEXTILE EXPORT
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Will the Minister of TEXTILES be pleased to state:

(a) whether Government is considering to provide duty drawback to textiles and garments on the basis of weight;

(b) if so, whether a high level committee has been set up to examine the issue following complaints from exporters that the new system has resulted in sharp reduction in drawback, blunting the competitive edge available to India;

(c) if so, by what time final decision in this regard is likely to be taken; and

(d) the extent to which it will be helpful to the textile exporters ?

Answer

MINISTER OF TEXTILES(SHRI SHANKERSINH VAGHELA)

(a) to(d) The Ministry of Finance had constituted a Committee to determine the All Industry Rate of Duty Drawback (2005-06). The Committee held extensive consultations with various Ministries/Departments and stakeholders and submitted its report to the garment on 20.4.2005. The basis of prescribing All India Rates of Duty Drawback has since been restored to earlier system of value based as announced vide Notification No. 36/2005-Cus (NT) dated 2.5.2005. The value based All Industry Rates of Duty Drawback have dual benefit by virtue of first being fair to the exporters and secondly, serve the policy objective of encouraging the export of value added items.